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Data Centers and Networking

Over the next three years an upgrade from our Tier I network to a Tier III will save us over 48 million dollars due to IT downtime. The Tier 1 network we are using now is far less superior with only a 99.67% availability rate compared to the tier III 99.98% availability. Using the tier III system will show a 38% return on investment over a three-year period. The tier III network redundancy capability sets it apart from the Tier I we are currently using.

Currently our company has a Tier I network, which does not have the redundancy capabilities needed to run this company more efficiently. The current Tier I network only has one point of connection to all the data. When the single connection goes down, the entire systems fails. When this happens, no work can get done which affects our bottom line. The Tier III network provides the network redundancy capabilities, which means it has multiple connections to our data networks. When the main connection goes down, the Tier III has the capability to use another distribution path without interrupting any work. Using this capability, the company will see our downtime reduced from 99.76% to 99.98% ultimately saving the company 24 million dollars a year in lost revenue.

A Tier I network has a total downtime of 1734 minutes each year. Each minute costs the company 14,800 dollars; in a year our company losses out on 25.5 million dollars in revenue. With a new Tier III network the downtime decreases to 105 minutes per year, costing the company only 1.5 million dollars a year which is a savings of 24 million dollars a year. Implementing the new system will cost 35 million dollars for the first year and a year to implement. The following two years the company will save 48 million dollars compared to Tier I. After the savings of 48 million and subtracting the total year one cost you have a savings of 13 million or a 38% return on investment. The Tier III system is built to run efficiently, without interruption while saving this company money. The savings show that a Tier III upgrade is pivotal for the future of this company.